

Instructions for Form 100X

Amended Corporation Franchise or Income Tax Return

What's New

Revenue & Taxation Code (R&TC) Section 24410 was repealed and re-enacted to allow a dividends received deduction of 80% of qualified dividends received from an insurance subsidiary in which the corporation owns at least 80% of each class of stock. The deduction would apply to taxable years beginning on or after January 1, 2004, and would increase to 85% for taxable years beginning on or after January 1, 2008.

For taxable years ending on or after December 1, 1997 and commencing before January 1, 2004, a corporation may elect a similar deduction for dividends received from an 80% or more owned insurance subsidiary. The corporation must make the election on at least one return for the election period (1997 to 2003 tax year). An election for one year is an election for all open years. The election is made on an original return or on an amended return by indicating "AB 263 Election" at the top of the original or amend return. A statement must be attached indicating that the dividends received deduction election is in accordance with AB 263. The election must be made within 180 days of September 28, 2004 or by March 28, 2005. All amounts due (taxes, interest, and penalties) must be paid by March 28, 2005. For more information regarding how to make the election and the reporting requirements, **get FTB Notice 2004-6** and see the re-enacted R&TC Section 24410.

For taxable years beginning on or after January 1, 2004, California has reinstated the Net Operating Loss (NOL) carryover deductions. For more information, get form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Corporations.

General Information

For taxable years beginning on or after January 1, 2003, and ending on or before December 31, 2009, corporations may elect to pay use tax due on the original timely filed Corporation Franchise or Income Tax Return. However, the use tax due and the amount of use tax paid with the original timely filed return should not be included on the corporation's amended tax return.

A Purpose

Use Form 100X to amend a previously filed Form 100, California Corporation Franchise or Income Tax Return; Form 100W, California Corporation Franchise or Income Tax Return – Water's-Edge Filers; or Form 100S, California S Corporation Franchise or Income Tax Return.

A claim for refund of an overpayment of tax should be made by filing a Form 100X.

If the corporation is filing an amended tax return in response to a billing notice the corporation received, the corporation will continue to receive billing notices until the amended tax return is accepted. In addition, the corporation must pay the assessed tax before the corporation can claim a refund for any part of the assessed tax.

Unless otherwise stated, the term "corporation" as used in Form 100X and in these instructions includes banks, financial corporations, S corporations, exempt homeowners' associations, political organizations, and limited liability companies; or limited liability partnerships classified as corporations.

B When to File

File Form 100X only after the original tax return has been filed. Corporations must file a claim for refund within four years from the original due date of the tax return, the date the tax return was filed, or within one year from the date the tax was paid, whichever is later. Tax returns filed before the due date are considered as filed on the original due date.

If the federal corporate tax return is examined and changed by the Internal Revenue Service (IRS), report these changes to the Franchise Tax Board (FTB) within six months of the final federal determination by:

- Filing Form 100X, Amended Corporation Franchise or Income Tax Return; or
- Sending a letter with copies of the federal changes to:

CORPORATION RAR
FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0501

With either method, the corporation must include a copy of the final federal determination and all underlying data and schedules that explain or support the federal adjustments. Please note that most penalties assessed by the IRS also apply under California law. If penalties are included in a payment with the amended return, see the instructions for line 19, Penalties and Interest.

C Where to File

Tax Due

If tax is due, and the corporation is not required to use electronic funds transfer (EFT), make check or money order payable to the "Franchise Tax Board." Write the California corporation number, the appropriate taxable year, and Form 100X on the check or money order.

Mail Form 100X with the check or money order to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0501

Note: If the corporation must pay its tax liability using EFT, all payments must be remitted by EFT to avoid penalties. See the instructions for line 28, Amount due.

Refund

Mail Form 100X to:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0500

Private Delivery Services

California law conforms to federal law regarding the use of certain designated private delivery services to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. See federal Form 1120, U.S.

Corporation Income Tax Return, for a list of designated delivery services. Private delivery services cannot deliver items to PO boxes. If using one of these services to mail any item to the FTB, DO NOT use an FTB PO box. Address the amended tax return to:

FRANCHISE TAX BOARD
SACRAMENTO CA 95827

Private Mailbox (PMB) Number

If the corporation leases a PMB from a private business rather than a PO box from the United States Postal Service, include the box number in the field labeled "PMB no." in the address area.

Specific Line Instructions

Questions

B and C – The corporation must report to the FTB any changes made by the IRS that result in additional tax for California within six months of the date of the final federal determination in the following instances:

- Based on a federal audit;
- Reporting a final federal determination; or
- The IRS asked for information to establish the accuracy of specific items on the federal return and a change was made.

If the IRS changes result in a refund for California, generally the corporation must file a claim within two years of the IRS final determination date.

Be sure to include a complete copy of the final federal determination and all supporting computations and schedules, along with a schedule of the adjustments as applicable to the corporation's California tax liability. For more information, get FTB Pub. 1008, Federal Tax Adjustments and Your Notification Responsibilities to California.

D, E, and F – Check the appropriate box to indicate whether this Form 100X is being filed to amend a Form 100, Form 100W, or Form 100S.

G – Check the "Yes" box if this Form 100X is being filed as a protective claim for refund. A protective claim is a claim for refund filed before the expiration of the statute of limitations for which a determination of the claim depends on the resolution of some other disputed issues, such as pending state or federal litigation or audit.

H – Corporations are not allowed to elect or terminate a water's-edge election on an amended return. For information on how to elect or terminate a water's-edge election, get the Form 100W, Water's-Edge Booklet.

I and J – If this amended return is being filed to report an increase or decrease to the prepaid minimum franchise tax, answer question I and question J.

Columns (a), (b), and (c)

Column (a) – Enter the amounts as shown on the original or last previously amended tax return or, if the tax return was adjusted or examined, enter the amounts that were determined by the FTB as a result of the examination, whichever occurred later.

Column (b) – Enter the net increase or the net decrease for each line changed. List each change on Side 2, Part V, line 2 and provide an explanation and supporting schedules for each change.

Column (c) – Add any increase in column (b) to the amount in column (a) or subtract any decrease in column (b) from the amount in column (a) and enter the result in column (c). If there is no change, enter the amount from column (a) in column (c).

Part I Income and Deductions

Line 5 – Net income from Schedule R

If the corporate taxpayer apportions its business income to California and there is a net change in the amount of net business income (loss) after state adjustments apportioned to the corporate taxpayer, then the corporate taxpayer must recompute and attach Schedule R, Apportionment and Allocation of Income.

Part II Computation of Tax, Penalties, and Interest

For more information (such as applicable tax rates or instructions on how to determine net operating loss carryover, alternative minimum tax (AMT), excess net passive income tax, etc.) get Form 100, Form 100W, or Form 100S instructions for the taxable year being amended.

Line 7 - Net Operating Loss (NOL) carryover deduction

For taxable years beginning on or after January 1, 2004, California has reinstated the NOL carryover deductions.

California suspended the deduction for NOL carryover for taxable years that began in 2002 and 2003.

Line 8 - Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction

For taxable years beginning on or after January 1, 2004, California has reinstated the NOL carryover deductions.

California suspended the deduction for Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover for taxable years that began in 2002 and 2003.

Line 14 – Alternative minimum tax

Note: This applies to Form 100 or Form 100W filers only.

Enter in column (b) the net increase or net decrease in AMT between the original Schedule P (100), Alternative Minimum Tax and Credit Limitations – Corporations, or Schedule P (100W), Alternative Minimum Tax and Credit Limitations – Water's-Edge Filers, and the amended Schedule P (100) or Schedule P (100W). Be sure to attach the amended Schedule P (100) or Schedule P (100W) to Form 100X.

Line 17 – Other adjustments to tax

For interest adjustments under the "look-back" method of completed long-term contracts, enter the net increase or net decrease in column (b). Be sure to sign the amended form FTB 3834, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts, and attach it to Form 100X.

Also, enter in column (b) the net increase or net decrease of any credit recapture, LIFO recapture, or tax on installment sales. For more information, get Form 100, Form 100W, or Form 100S, Schedule J, Add-on Taxes and Recapture of Tax Credits, for taxable years 1991 through 2004 or get Form 100 or Form 100S instructions for taxable years 1988 through 1990.

Enter the increase or decrease to the \$600 prepayment minimum franchise tax for qualified new corporations per California Revenue and Taxation Code Section 23221, effective for taxable years beginning on or after January 1, 1997, and before January 1, 1999. Enter the increase or decrease to the \$300 prepayment for taxable years beginning on or after January 1, 1999, and before January 1, 2000. For corporations incorporated on or after January 1, 2000, there is no prepayment.

Line 19 – Penalties and Interest

Line 19 (a) – In column (b) enter the net increase or net decrease of any penalties being reported on the amended return.

Note: The corporation cannot reduce the estimated tax penalty previously assessed, even if the corporation reduces the tax due if this amended return is filed after the original filing due dates, including extensions.

Line 19 (b) – In column (b) enter the net increase or net decrease of interest being reported on the amended return.

Line 19 (c) – In column (c) enter the total of line 19 column (a) and column (b).

If the corporation does not compute the interest due, FTB will figure any interest due and bill the corporation. Interest accrues on the unpaid tax from the original due date of the return to the date paid. For the applicable interest rates, get FTB Pub. 1138A, Bank and Corporation Billing Information.

Part III Payments and Credits

Enter any payments or credits on the appropriate line.

Note: For taxable years beginning on or after January 1, 2003, and ending on or before December 31, 2009, if the corporation elected to report use tax on the original tax return, do not include the amount of use tax paid with the original return on these lines.

Part IV Amount Due or Refund

Line 28 – Amount due

Make the check or money order payable to the "Franchise Tax Board" for the amount shown on line 28. Write the California corporation number and taxable year on the check or money order. Attach the check or money order to the front of Form 100X.

Electronic Funds Transfer (EFT)

Corporations that meet certain requirements must remit all of their payments through EFT rather than by paper check or money order to avoid a 10% non-compliance EFT penalty. FTB will notify the corporation once they meet the requirements. A corporation required to pay its taxes through EFT must make all payments by EFT, even if the tax due on the original tax return was paid by check or money order. Indicate which taxable year the payment should be applied to when paying by EFT.

For more information, go to our Website at www.ftb.ca.gov, call the FTB EFT Help Desk at (916) 845-4025, or get FTB Pub. 3817, Electronic Funds Transfer Program Information Guide.

Line 29 – Refund

If the corporation is entitled to a refund larger than the amount claimed on the original tax return, line 29 will show the amount of refund. The FTB will figure any interest due and will include it in the refund. If the corporation is claiming a refund for interest previously paid, include the interest amount on line 19.

Part V Explanation of Changes

Line 1

If the original tax return was filed using a different corporation name, address, and/or California corporation number, enter the name, address, and California corporation number used on the original tax return on this line.

Line 2

Explain in detail any changes made to the amounts listed in Side 1, column (a). Include in your explanation the line number references for both the original and amended tax returns and any detailed computations. Include a copy of the federal Form 1120X, Amended U.S. Corporation Income Tax Return, and schedules if a change was made to the federal return. Include the corporation's name and California corporation number on all attachments.

Where to Get Tax Forms and Publications

By Internet – You can download, view, and print California tax forms and publications from our Website at www.ftb.ca.gov.

By phone – To order 2004 business entity tax forms, call (800) 338-0505 and follow the recorded instructions. Please allow two weeks to receive your order. If you live outside of California, please allow three weeks to receive your order.

By mail – Write to:

TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

General Toll-Free Phone Service

Our general toll-free phone service is available year-round from 7 a.m. until 7 p.m. Monday through Friday except state holidays. We may modify these hours without notice to meet operational needs.

From within the
United States (800) 852-5711

From outside the
United States (916) 845-6500
(not toll-free)

Assistance for persons with disabilities

The FTB complies with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.